Predicting Potential: An Integrated Data-Driven Approach to Building the Pipeline

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NY HRPS
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• **Context Setting**
  - Key Benchmarks
  - Talent Management Philosophy

• **Integrated Assessment & Development Process**
  - LeAD Program Architecture
  - Dynamics of Working with Data
  - Program Effectiveness

• **Key Discussion Questions**
  - Nature of Potential
  - Role of Personality in Assessment
  - 9-Box Musings

• **Final Thoughts**
Talent has been a scarce resource for over a decade and it’s getting worse.

Organizations have limited resources for development.

Differentiation and talent identification is key for successful TM.
75% are Assessing their High Potentials
82% are Focused on Developing High Potentials
50% are Either Identifying or Confirming Potential
39% are Using Assessments for Succession or Placement of High Potentials
Companies with Mature Talent Management Processes are 2x More Likely to Use Assessments

Level of Maturity of TM

% Using Assessments

43% 87%

Reactive & Inconsistent  Fully Integrated & Transparent

Context:
Research on Assessment Practices

Church & Rotolo (2013)
Church, Rotolo, Ginther & Levine (2015)
Research on Assessment Practices

Expertise Needed by Perceived Increasing Importance

- Talent Analytics (Big Data)
- Individual Assessment & Hipos
- Leadership Development
- Workforce Planning
- Change Management
- Org Development
- Learning & Training
- Org Design
- Selection
- Total Rewards
- Talent Acquisition
- HROPs/HRIS
- Expats/Mobility
- Engagement Surveys
- Diversity & Inclusion
- Talent Reviews & Succession Planning
- Performance Management
- HR Strategy

Church & Levine (2017)
Good Question: *What is a high-potential?*

Better Question: *Potential for What?*
Talent Management Philosophy: Two Ends of the Spectrum

Talent Management & Succession Planning

Focus on the “Few”  
(e.g., Identifying HiPos, Session C, BoD)

Organization Development & Change

Focus on the “Many”  
(e.g., Culture, Structure, Performance)

Leadership Development
Talent Management Philosophy: Building an Integrated System

Linking key concepts together...

(a) Role segmentation (leadership pipeline)
(b) Talent segmentation based on future capabilities
(c) Customized assessment and development planning
(d) Integrated with TM for informing talent decisions
Predicting Potential:
Integrating Data into the Talent Management Process

What You Do
With Data

How You Think
About Data
Integrated Assessment & Development: LeAD Program Architecture

- Multi-level design
- Multi-trait multi-method
- Theoretically grounded
- Empirically validated
- C-suite engagement
- Pull from the business
- Internally designed & led
- Integrated w/ TM systems
Integrated Assessment & Development: Role in Talent Reviews

Integrated Report
- Integrates data across four assessments
- Report used to create targeted plans

Available to participant
Integrated Assessment & Development: Role in Talent Reviews & Succession Planning

Development

Talent Review

Assessment & Development Process Framework

1. Assess individuals against criteria
2. Provide feedback to individuals
3. Identify specific development actions
4. Implement specific development actions
5. Monitor progress indicators

Bio Card: Who are they as individuals and what have they done in the past both before and at the company?

Data Card: What data do we have and what insights can we glean from their performance, potential and assessment feedback?

Roadmap Card: What is their integrated development plan for achieving their short and long term growth to reach their career destination?
“In god we trust, all others must bring data”
- W. Edwards Deming
Dynamics of Working with Data

What happens when hipos do poorly -- are they still hipos?

Assessments provide a **valid and robust** means of evaluating capabilities against a defined criteria to be used **as an input** into making better talent decisions.

**Assessment Results Should**
- Provide additional insights
- Reflect multiple perspectives
- Ensure a common standard
- Level the playing field

**Assessment Results Should NOT**
- Replace leadership judgement
- Reduce people to a number
- Be used selectively to confirm
- Be the sole input in decisions
### Talent Call Prior to Program

<table>
<thead>
<tr>
<th>LeAD Results: Some Potential</th>
<th>LeAD Results: Moderate Potential</th>
<th>LeAD Results: High Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High-Potential</strong></td>
<td>3 (38%)</td>
<td>14 (67%)</td>
</tr>
<tr>
<td><strong>Key Contributor</strong></td>
<td>5 (62%)</td>
<td>7 (33%)</td>
</tr>
</tbody>
</table>

#### Example:
- 40 People are Assessed through LeAD
- 25 HPs and 15 KCs
- Results show 20% Some, 53% Moderate and 27% High Potential
### Key Questions & Challenges: Dynamics of Working with Data

#### Sample: Senior Director High-Potential

<table>
<thead>
<tr>
<th>Sample BluePrint Dimension</th>
<th>Cognitive Skills</th>
<th>Personality Dispositions</th>
<th>Leadership Behaviors</th>
<th>Experiences &amp; Learnings</th>
<th>Functional Capability</th>
<th>Summary of Capability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment Method</td>
<td>Test</td>
<td>Self-Report</td>
<td>360 Feedback</td>
<td>Interview</td>
<td>Simulation</td>
<td>Weighted Average</td>
</tr>
<tr>
<td>Strategic Thinking</td>
<td>●</td>
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<tr>
<td>Problem Solving</td>
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<td>Emotional Intelligence</td>
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<tr>
<td>Growth Mindset</td>
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<td>Learning Agility</td>
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<td>●</td>
<td>●</td>
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<tr>
<td>Ambition &amp; Drive</td>
<td>●</td>
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<tr>
<td>Inspiring Followers</td>
<td>●</td>
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<tr>
<td>Developing Talent</td>
<td>●</td>
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<tr>
<td>Financial Savviness</td>
<td>●</td>
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<tr>
<td>Customer Focus</td>
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</tbody>
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**Foundational**

**Growth**

**Career**

Sample framework based on *Leadership Potential BluePrint (Church & Silzer, 2010)*
What Has Been the Impact of the Process?

- **Predicting performance over time**: Assessment results show statistically significant relationships with performance ratings across all levels over a 3 year period.
- **Predicting & influencing promotions**: Assessment results show statistically significant relationships with promotion rates (1.5x to 2.5x) for all four programs 1-3 years post participation.
- **Confirming existing talent calls**: Assessment results show statistically significant relationships with talent calls; however, results are also being used to influence talent calls.
- **Influencing talent calls**: We are finding ~3x the stars who might have been missed and removing individuals who may have been misclassified.
- **No concern over transparency**: No negative impact on turnover or other variables of interest.
Key Questions & Outcomes: Employee Engagement and Transparency

How Do Employees Feel About Being Assessed?

- Follow-up surveys conducted 6-18 months after the process consistently show that participation enhances employee engagement.

- Employees at all levels felt that participation in the program demonstrates the company’s commitment to development.

- 82%+ of participants felt the participation in the program gave them a real opportunity to improve their leadership skills.

- 84%+ of participants felt the program met their expectations. This was true regardless their assessment results.

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**My Involvement Shows the Organization is Invested in My Growth and Development**

<table>
<thead>
<tr>
<th>Level</th>
<th>% Favorable</th>
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<tbody>
<tr>
<td>SLDC</td>
<td>92%</td>
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<tr>
<td>ALDC</td>
<td>90%</td>
</tr>
<tr>
<td>ELDC</td>
<td>90%</td>
</tr>
<tr>
<td>PLDC</td>
<td>82%</td>
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**Program Met or Exceeded Expectations by LIFT (2015 to 2017)**

- 84% Average (2015-2017)
Question: Is Potential Fixed or Can it Be Developed?

An Individual’s “Raw Potential” is Fixed but their “Leadership Potential” (for What) can and does Change

Church & Silzer, 2014; Silzer & Church, 2009
Question: How Important is Personality in the Assessment Process?

Personality is only a Gatekeeper to Success at the Senior Executive Level, not a Predictor

Competency -- Capability
Adaptive -- Perspective
Baseline -- Workarounds

Church & Silzer, 2014; Silzer & Church, 2009
Question: What is the Best Way to Approach the 9-Box Model in Talent Management?

Performance x Potential Paradox

- Future potential (different job/higher level) is not the same as current or past performance
- Yet 75% of top companies use current or past performance to measure potential
- This means most 9-box models (performance x potential) are double dipping
- Better approach is to use performance by “assessed potential” OR calibrated potential by assessment results

9-Box Models are Invalid Unless you are Using Independent Assessment Data to Measure Potential

Church, Rotolo, Ginther & Levine, 2015
Final Thoughts: What’s on the Horizon?

- Visibility and insights capability that come with systems integration
- Continue to build capability around data interpretation in the field
- How best to measure change and improvement?
- Questions around “time 2” vs “retakes” vs. alternate forms/tools
- Energy and excitement with new tools, models (e.g., digital leadership)